

City of Astoria
URBAN RENEWAL AGENCY
(A Component Unit of the City
of Astoria, Oregon)

ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2024

ASTORIA URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF ASTORIA, OREGON)

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INTRODUCTORY SECTION

**ASTORIA URBAN RENEWAL AGENCY
(A Component Unit of the City of Astoria, Oregon)**

Year Ending June 30, 2024

Astoria Development Commission

ELECTED OFFICIALS

Sean Fitzpatrick	Chair	Term Expires 12/31/26
Andrew Davis	Commissioner Ward 1	Term Expires 12/31/26
Thomas Brownson	Commissioner Ward 2	Term Expires 12/31/24
Elisabeth Adams	Commissioner Ward 3	Term Expires 12/31/26
Thomas Hilton	Commissioner Ward 4	Term Expires 12/31/24

ADMINISTRATIVE STAFF

Scott Spence	City Manager
Blair Henningsgaard	City Attorney
Hilary Norton	Director of Finance & Administrative Services
Matt Brandmeyer	Community Development Director

Commissioners and Administrative Staff may be contacted at the following address:

Mailing Address:
1095 Duane Street
Astoria, Oregon 97103

www.astoria.gov

FINANCIAL SECTION



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Report of Independent Auditors

The Honorable Mayor and City Council of the City of Astoria, Oregon
Urban Renewal Agency
City of Astoria, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Urban Renewal Agency, a component unit of the City of Astoria, Oregon, (the Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Financial Reporting Entity

As discussed in Note 1, the financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the City of Astoria, Oregon as of June 30, 2024 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated February 28, 2025, on our consideration of the Agency's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Ashley Osten". The signature is written in a cursive, flowing style.

Ashley Osten, Partner, for
Moss Adams LLP
Portland, Oregon
February 28, 2025

ASTORIA URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period ending June 30, 2024

The Management's Discussion and Analysis (MD&A) section for the City of Astoria Urban Renewal Agency (Agency) presents a narrative overview of the financial activities for the fiscal year ending June 30, 2024. Analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes, issues related to funds and the economic factors affecting the Agency.

OVERVIEW OF FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements which include three components:

1. Government-wide financial statements;
2. Fund Financial statements; and
3. Notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner that is similar to a private-sector business. These statements are reported on the full accrual basis of accounting. Under the full accrual basis, revenues and expenses are reported in the year earned or obligated.

The Statement of Net Position presents information of the Agency's assets and liabilities, with the difference between the two reported as net position. Evaluation of increases or decreases in net position over time can serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information on how the Agency's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in the statement for some items resulting in future period cash flows. An example of this is earned but uncollected property taxes.

Both of the government-wide statements indicate the functions of the Agency are principally supported by taxes and intergovernmental revenues, referred to as governmental activities. The Agency does not have business-type activities in which costs are recovered through user fees or charges.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or functions. The Agency, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are considered governmental funds.

Governmental Funds are used to account for Agency functions that are supported primarily by taxes and intergovernmental revenues. Governmental fund financial statements focus on the acquisition and use of spendable resources, as well as available resources at the end of the fiscal year. Such information is useful in evaluating a government's near-term requirements.

ASTORIA URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period ending June 30, 2024

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Agency adopts an annual appropriated budget for all governmental funds. A budgetary comparison has been provided for each fund to demonstrate compliance with the adopted budget.

Notes to the Basic Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents supplementary information including budgetary to actual comparisons for the Agency's two funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position:

The following table reflects a summary of Net Position compared to Prior fiscal Year.

TABLE 1			
Urban Renewal Agency – Net Position and Liabilities			
	Governmental Activities		Change
	2024	2023	+ (-)
Cash and investments	\$ 8,263,745	\$ 7,692,365	\$ 571,380
Notes receivable	57,103	74,854	(17,751)
Property tax receivable	22,951	26,726	(3,775)
Other accounts receivable	4,772	4,772	-
Due from City	-	10,000	(10,000)
Construction in Progress	<u>17,422</u>	<u>-</u>	<u>17,422</u>
 Total Assets	 <u>8,365,993</u>	 <u>7,808,717</u>	 <u>557,276</u>
 Current and other liabilities	 17,655	 9,574	 8,081
Unearned revenue	<u>57,103</u>	<u>84,854</u>	<u>(27,751)</u>
 Total Liabilities	 <u>74,758</u>	 <u>94,428</u>	 <u>(19,670)</u>
 Net Position:			
Invested in capital assets	17,422	-	17,422
Restricted for:			
Urban Renewal			
Improvements-expendable	<u>8,273,813</u>	<u>7,714,289</u>	<u>559,524</u>
 Total Net Position	 <u>8,291,235</u>	 <u>7,714,289</u>	 <u>576,946</u>
 Total net position and liabilities	 <u>\$ 8,365,993</u>	 <u>\$ 7,808,717</u>	 <u>\$ 557,276</u>

ASTORIA URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period ending June 30, 2024

Installation of Riverwalk lighting project began during the fiscal year and cost is included in Construction in Progress. Capital assets will be recorded in the financial statements of the City of Astoria when the project is complete, since the Agency is a component unit of the City.

Statement of Activities:

The following table compares revenues and expenses for current year activities.

TABLE 2			
Urban Renewal Agency – Changes in Net Position			
	Governmental Activities		Change
	2024	2023	+ (-)
Revenues:			
General revenues:			
Property Taxes	\$ 366,381	\$ 332,313	\$ 37, 458
Gifts, bequests and grants	-	197,067	(197,067)
Interest	385,402	207,772	177,630
Other Revenues	17,752	29,107	(11,355)
Total Revenues	769,535	766,259	6,666
Expenses:			
Community Development	202,589	256,241	(53,652)
Total expenses	202,589	256,241	(53,652)
Change in net position	566,946	510,018	56,928
Net position, July 1	7,724,289	7,204,271	520,018
Net position, June 30	\$ 8,291,235	\$ 7,714,289	\$ 576,946

FINANCIAL HIGHLIGHTS

Both Urban Renewal Funds account for the accumulation of resources and payments associated with plan expenses related to the adopted plans. Tax increment revenues are deposited to each fund. Consistent with state law, the tax revenues are used to pay for expenses for the identified projects or acquisitions identified in each urban renewal district.

The Agency's net position increased by \$ 566,946 during the year and is due to property tax collections and interest earnings along with slightly reduced expenditures.

As of the end of the current fiscal year, the Agency's funds reported combined ending fund balance of \$ 8,256,001 which is restricted for urban renewal improvements as identified in Astor East and Astor West Urban Renewal Plan Documents.

ASTORIA URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period ending June 30, 2024

BUDGETARY HIGHLIGHTS

The Astor East and Astor West Urban Renewal District fund budgets are developed based upon an effort by management to continue identified projects in the urban renewal plans and to have the available funding for work on other projects, as opportunities arise. Expenditures remained within the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Agency incurred capital expense for a lighting project along the Riverwalk which is construction in progress and will be capitalized as part of a larger expenditure in the City's financial statements. Capitalized amounts are presented in the financial statements for the City of Astoria and do not appear as an asset of the Agency.

Long-term debt. As of year-end, the Agency had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Urban Renewal Agency continues to be an important partner in economic development within the City of Astoria, providing necessary infrastructure improvements to support continued growth and quality of service to those within the Agency's boundaries. Agency expects property tax revenues to remain steady in Astor East in FY 24/25. Astor West has collected taxes to the Maximum Indebtedness level and no further property taxes will be collected. Tax increment is utilized to fund projects and improvements within the Agency's boundaries.

REQUESTS FOR INFORMATION

The Agency's financial statements are designed to provide readers with a general overview of the Agency's finances. For questions about the report or additional financial information, contact the City of Astoria's Director of Finance and Administrative Services at 1095 Duane Street, Astoria, Oregon 97103 or visit the City's website at www.astoria.or.us.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

STATEMENT OF NET POSITION
June 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 8,263,745
Notes receivable	57,103
Property taxes receivable	22,951
Other Accounts Receivable	4,772
Construction in Progress	<u>17,422</u>
Total assets	<u>8,365,993</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	17,655
Unearned revenue	<u>57,103</u>
Total liabilities	<u>74,758</u>
NET POSITION	
Investment in capital assets	17,422
Restricted for:	
Urban renewal improvements - expendable	<u>8,273,813</u>
Total net positon	<u><u>\$ 8,291,235</u></u>

The accompanying notes are an integral part of the basic financial statements.

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Expense (Revenue) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 202,589	\$ -	\$ -	\$ -	\$ (202,589)
Total government	<u>\$ 202,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(202,589)</u>
General revenues:					
Property taxes					366,381
Interest and investment earnings					385,402
Other revenues					<u>17,752</u>
Total general revenues					<u>769,535</u>
Change in net position					566,946
Net position - beginning					<u>7,724,289</u>
Net position - ending					<u>\$ 8,291,235</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS
Major Governmental Funds

Astor East #126

This fund is used to record expenditures related to capital improvement projects. Major sources of revenue and other financing sources are property taxes and interest earnings.

Astor West #127

This fund is used to record expenditures related to capital improvement projects. Major sources of revenue and other financing sources are property taxes and interest earnings.

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	Astor East #126	Astor West #127	Total Governmental
ASSETS			
Cash and investments	\$ 2,992,123	\$ 5,271,622	\$ 8,263,745
Notes receivable	9,994	47,109	57,103
Property taxes receivable	19,681	3,270	22,951
Other accounts receivable	1,136	3,636	4,772
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,022,934</u>	<u>\$ 5,325,637</u>	<u>\$ 8,348,571</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and other current liabilities	\$ 233	\$ 17,422	\$ 17,655
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>233</u>	<u>17,422</u>	<u>17,655</u>
Deferred inflows of resources:			
Unavailable revenue-property taxes	14,542	3,270	17,812
Unavailable revenue-notes receivable	9,994	47,109	57,103
	<u> </u>	<u> </u>	<u> </u>
Total Deferred inflows of Resources	<u>24,536</u>	<u>50,379</u>	<u>74,915</u>
Fund balances:			
Restricted for:			
Urban renewal improvements	2,998,165	5,257,836	8,256,001
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,998,165</u>	<u>5,257,836</u>	<u>8,256,001</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,022,934</u>	<u>\$ 5,325,637</u>	<u>\$ 8,348,571</u>

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

Amounts reported in the statement of net position are different because:

Total fund balances	\$ 8,256,001
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,422
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Unavailable revenue-property taxes	<u>17,812</u>
Net position	<u>\$ 8,291,235</u>

The accompanying notes are an integral part of the basic financial statements.

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2024

	Astor East #126	Astor West #127	Total Governmental
REVENUES:			
Taxes	\$ 369,771	\$ -	\$ 369,771
Interest earnings	136,427	248,975	385,402
Miscellaneous	4,299	13,453	17,752
	<u>510,497</u>	<u>262,428</u>	<u>772,925</u>
EXPENDITURES:			
General government	82,868	119,721	202,589
Capital outlay	-	17,422	17,422
	<u>82,868</u>	<u>137,143</u>	<u>220,011</u>
Total expenditures			
	<u>82,868</u>	<u>137,143</u>	<u>220,011</u>
Revenues over expenditures	427,629	125,285	552,914
OTHER FINANCING SOURCES (USES):			
Interfund loan proceeds	-	10,000	10,000
	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total other financing sources			
	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Net changes in fund balances	427,629	135,285	562,914
FUND BALANCES, BEGINNING	<u>2,570,536</u>	<u>5,122,551</u>	<u>7,693,087</u>
FUND BALANCES, ENDING	<u><u>\$ 2,998,165</u></u>	<u><u>\$ 5,257,836</u></u>	<u><u>\$ 8,256,001</u></u>

The accompanying notes are an integral part of the basic financial statements.

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024**

Amounts reported in the Statement of Activities are different because:

Net change in fund balance - governmental funds	\$ 562,914
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The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Represents construction in progress expensed on the fund basis, to be capitalized in the government wide.	17,422
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Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds. The Agency recognized unavailable loans receivable and amounts due from City of Astoria which were not available to satisfy current obligations.	(10,000)
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Property tax in the Statement of Activities differs from the amount reported on the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes an unavailable revenue for all property taxes levied but not available to satisfy current obligations; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.	<u>(3,390)</u>
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Change in net position of governmental activities	<u><u>\$ 566,946</u></u>
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The accompanying notes are an integral part of the basic financial statements.

ASTORIA URBAN RENEWAL AGENCY
(A component unit of the City of Astoria)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. Description of Reporting Entity

The Urban Renewal Agency of the City of Astoria was established June 18, 1979, under the provisions of the Oregon Revised Statutes, Section 457. The City Council of the City of Astoria is the governing body of the Agency wherein any act of the Council in its capacity as the Agency shall be considered the act of the Agency only and not the City of Astoria. The Agency through the Astoria Development Commission outlined a plan for the rehabilitation, conservation, development or redevelopment of the Urban Renewal Area. This area was determined to be a blighted and deteriorated area which was detrimental to the safety, health and welfare of the inhabitants and users and which impaired the economic values and tax revenues, had harmful effects on rehabilitation, conservation, development and redevelopment of the area as a whole.

The Agency is a legally separate entity governed by the City Council. The Agency's Board of Directors is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in accounting principles generally accepted in the United States of America, primarily on the basis of authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific benefits or impose specific financial burdens and that organization's fiscal dependency. The Agency is a component unit of the City of Astoria and, as such is included in the financial statements of the City of Astoria for the year ended June 30, 2024. The Agency has no component units.

B. Basic Financial Statements

The Agency's financial operations are presented at both the agency-wide and fund financial levels. All activities of the Agency are categorized as governmental.

Agency-wide financial statements

The Statement of Net Position and the Statement of Activities display information about the Agency as a whole. All activities of the Agency are categorized as governmental activities.

The Agency uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

ASTORIA URBAN RENEWAL AGENCY
(A component unit of the City of Astoria)

NOTES TO BASIC FINANCIAL STATEMENTS

B. Basic Financial Statements (continued)

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental or proprietary. Currently the Agency has only governmental fund types.

C. Basis of Presentation

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. For purposes of presentation, all funds are presented as major funds.

Astor East and Astor West - These funds are used to record expenditures related to capital improvements projects. Major sources of revenue and other financing sources are property taxes, capital grants/contributions and interest earnings.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The Agency-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the agency-wide statements, a reconciliation is necessary to explain the adjustments needed to transform the fund financial statements into the agency-wide presentation.

E. Cash and Investments

The Agency considers cash as all highly liquid investments with maturity of three months or less. Investments are reported at fair value.

ASTORIA URBAN RENEWAL AGENCY
(A component unit of the City of Astoria)

NOTES TO BASIC FINANCIAL STATEMENTS

F. Receivables and Property Tax Calendar

Uncollected property taxes receivable, which have been collected within sixty days following year-end are considered measurable and available and are recognized as revenue. The remaining balance is recorded as inflow of resources in the governmental fund balance sheet because it is not deemed available to finance operations of the current period. Real and personal property taxes are levied in July of each fiscal year. Property taxes attach as an enforceable lien on property as of July 1, and are payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Clatsop County and remitted to the Agency. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens, and accordingly no allowance for uncollected taxes has been established.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. There are no deferred outflows recorded at June 30, 2024.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency also has unavailable revenue, which arises only under a modified accrual basis of accounting and so is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and notes receivable. All deferred inflows are recognized as inflows of resources in the period that the amounts become available. The Agency has two qualifying deferred inflows as of June 30, 2024: Unavailable revenue for property taxes of \$ 17,811 and notes receivable of \$ 57,103.

H. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

- Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.
- Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- Committed – Includes items committed by the Agency Board, by formal board action. Commitments of fund balance must be made prior to the end of the fiscal year.
- Assigned – Includes items assigned for specific uses, authorized by the Agency. Assignments of fund balance can be done at any time, including after the fiscal year end date.
- Unassigned – This is the residual classification used for those balances not assigned to another category.

There were no non-spendable, committed, assigned or unassigned fund balances at June 30, 2024.

ASTORIA URBAN RENEWAL AGENCY
(A component unit of the City of Astoria)

NOTES TO BASIC FINANCIAL STATEMENTS

I. Use of Restricted Resources

In the statement of activities, when both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources, as they are needed. In the statement of revenues, expenditures and changes in fund balances of governmental funds, when unrestricted resources (committed, assigned, and unassigned) are available for use it is the Agency's policy to use committed resources first, then assigned, and then unassigned as they are needed.

J. Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Budgetary Information

On or before June 30 of each year, the Agency enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the Agency Commission and a like number of interested citizens. The budget committee presents the budget to the Agency Commission for budget hearings prior to enactment of the resolution. The Agency budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Expenditure categories of personnel services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the Agency's Commission. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the Agency's Commission. Management may not amend the budget without seeking the approval of the Commission. Appropriations lapse as of year-end.

(3) Cash and Investments

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board, which establish diversification percentages and specify the types of maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. LGIP is not rated by a national rating service. The financial statements are available at <https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Documents/oregon-short-term-fund-osft/OSTF-Annual-Financial-Statements-June-30-2024.pdf>

(3) Cash and Investments (continued)

At June 30, 2024 investments included in cash and investments consist of the following:

ASTORIA URBAN RENEWAL AGENCY
(A component unit of the City of Astoria)

NOTES TO BASIC FINANCIAL STATEMENTS

	Weighted Average Maturity (Years)	Amortized Cost which Approximates Fair Value
Investments in the State Treasurer's Local Government Investment Pool (the Pool)	0.00	\$ 8,263,745
Total Cash and investments	0.00	\$ 8,263,745

Interest rate risk

In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to less than six months. The Agency does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

State statutes authorize the Agency to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The Agency has no investment policy that would further limit its investment choices. The Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The State Treasurer's Oregon Local Government Investment Pool is not registered with the SEC as an investment company and is unrated.

Concentration of credit risk

The Agency does not currently have an investment policy outside of investing in LGIP which would require recognition of credit risk concentration in any single corporate entity and its affiliates or subsidiaries that is in excess of five percent of the City's total investments (ORS 294.935).

Custodial credit risk – deposits

This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depositary Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions up to \$250,000 each for aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2024, none of the Agency's bank balances were exposed to credit risk.

Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency did not have investments of this type during fiscal year 2023-24 nor did it have any investments of this type at June 30, 2024. The Agency maintains a cash and investments pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and investments."

(4) Notes Receivable

ASTORIA URBAN RENEWAL AGENCY
(A component unit of the City of Astoria)

NOTES TO BASIC FINANCIAL STATEMENTS

As economic development activities, the Astor East (AEURD) and Astor West (AWURD) Urban Renewal Districts have entered into agreements to loan two entities amounts to upgrade their facilities. AEURD has a loan receivable of \$ 9,994 from Liberty Restoration, Inc. for improvement to the Liberty Theatre stage.

AWURD has a loan receivable of \$ 47,109 from Mark Cary for improvements to the facility referred to as the "Red Building".

The Liberty Restoration, Inc. and Mark Cary loans are administered for the Agency by Craft3. Loan payments are current as of June 30, 2024.

(5) Long-term Debt

During the year ended June 30, 2024, the Agency did not have any long-term liability activity.

(6) Risk Management

The Agency is exposed to various risks of loss and insurance coverage is provided by the City of Astoria, which carries commercial insurance. Settled claims resulting from risks of loss have not exceeded commercial insurance coverage in any of the past three years.

(7) Property Tax Limitations

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts and education service districts. The limitation provides that property taxes for non-school operations are limited to \$ 10.00 for each \$ 1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

(8) Other Information

The City of Astoria invoices the Agency for services provided. This includes amounts associated with personnel costs in support of agency activities.

SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Budgetary Comparison Schedules Government-Wide Financial Statements

- Astor East #126
- Astor West #127

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

ASTOR EAST #126
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget		Actual	Variance To Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 253,390	\$ 253,390	\$ 369,771	\$ 116,381
Interest earnings	75,000	75,000	136,427	61,427
Miscellaneous	4,500	4,500	4,299	(201)
Total revenues	332,890	332,890	510,497	177,607
EXPENDITURES:				
Materials and services	387,470	387,470 (1)	82,868	304,602
Capital outlay	1,750,000	1,750,000 (1)	-	1,750,000
Contingency	200,000	200,000 (1)	-	200,000
Total expenditures	2,337,470	2,337,470	82,868	2,254,602
Net change in fund balance	(2,004,580)	(2,004,580)	427,629	2,432,209
FUND BALANCE, BEGINNING	2,536,000	2,536,000	2,570,536	34,536
FUND BALANCE, ENDING	\$ 531,420	\$ 531,420	\$ 2,998,165	\$ 2,466,745

(1) Appropriation level

ASTORIA URBAN RENEWAL AGENCY
(a component unit of the City of Astoria)

ASTOR WEST #127
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance To Final Budget
	Original	Final	Actual	
REVENUES:				
Interest earnings	\$ 150,000	\$ 150,000	\$ 248,975	\$ 98,975
Miscellaneous	12,130	12,130	13,453	1,323
Total revenues	162,130	162,130	262,428	100,298
EXPENDITURES:				
Materials and services	241,800	241,800 (1)	119,721	122,079
Capital outlay	4,500,000	4,500,000 (1)	17,422	4,482,578
Contingency	250,000	250,000 (1)	-	250,000
Total expenditures	4,991,800	4,991,800	137,143	4,854,657
Revenues over (under) expenditures	(4,829,670)	(4,829,670)	125,285	4,954,955
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds	10,000	10,000	10,000	-
Total other financing sources (uses)	10,000	10,000	10,000	-
Net change in fund balance	(4,819,670)	(4,819,670)	135,285	4,954,955
FUND BALANCES, BEGINNING	5,064,600	5,064,600	5,122,551	57,951
FUND BALANCES, ENDING	\$ 244,930	\$ 244,930	\$ 5,257,836	\$ 5,012,906

(1) Appropriation level



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**REPORT OF INDEPENDENT AUDITORS
REQUIRED BY OREGON STATE REGULATIONS**

Report of Independent Auditors Required by Oregon State Regulations

The Honorable Mayor and City Council of the City of Astoria, Oregon
Urban Renewal Agency
City of Astoria, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities and each major fund of the Urban Renewal Agency, a component unit of the City of Astoria, Oregon, (the Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Agency's basic financial statements, and have issued our report thereon dated February 28, 2025.

Compliance

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Honorable Mayor, City Council, and management of the Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink that reads "Ashley Osten". The signature is written in a cursive, flowing style.

Ashley Osten, Partner, for
Moss Adams LLP
Portland, Oregon
February 28, 2025

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and City Council of the City of Astoria, Oregon
Urban Renewal Agency
City of Astoria, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Urban Renewal Agency, a component unit of the City of Astoria, Oregon (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Portland, Oregon
February 28, 2025